

M. John Bowen, Jr.

November 21, 2014

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Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
Synergy Business Park, The Saluda Building
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Petition of Lockhart Power Company For an Accounting Order
Related to the Lockhart Power Company Riverdale Hydro Project
Docket No. 2014-____-E

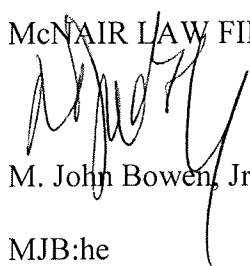
Dear Ms. Boyd:

Please find enclosed for filing on behalf of the Lockhart Power Company a
Petition For Accounting Order.

Thank you for your assistance.

Very truly yours,

McNAIR LAW FIRM, P.A.



M. John Bowen, Jr.

MJB:he
Enclosure

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1221 Main Street
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Columbia, SC 29211

cc: Nanette S. Edwards, Esquire, ORS

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BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2014-__-E

IN RE:)	
)	
Petition of Lockhart Power Company)	PETITION FOR
For an Accounting Order Related to the)	ACCOUNTING ORDER
Lockhart Power Company)	
Riverdale Hydro Project)	
_____)	

Lockhart Power Company (“Lockhart” or the “Company”) hereby petitions the Public Service Commission of South Carolina (“Commission”), pursuant to S.C. Code Ann. Sections 58-3-140, 58-27-140, 58-27-230, and 58-27-1540 and 58-27-1550 and Commission Regulation 103-835, to issue an accounting order authorizing Lockhart to create a deferred account for expenses associated with the pursuit of a license from the Federal Energy Regulatory Commission (“FERC”) related to the Riverdale Hydroelectric Project. In support of this Petition, Lockhart would respectfully show unto this Honorable Commission:

1. The legal name and address of Petitioner is as follows:

Lockhart Power Company
Post Office Box 10
Lockhart, South Carolina 29364

2. The attorneys for Lockhart to whom all correspondence should be addressed are:

M. John Bowen, Jr.
Margaret M. Fox
McNair Law Firm, P.A.
Post Office Box 11390

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Columbia, South Carolina 29211
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3. Lockhart is a public utility under the laws of the State of South Carolina and is subject to the jurisdiction of the Commission pursuant to S.C. Code Ann 58-3-140(A) (Supp. 2013). Lockhart is engaged in the generation, transmission, distribution and sale of electricity to the public for compensation. The Company's office and principal place of business is in Lockhart, South Carolina. The Commission has jurisdiction over the rates and charges, rate schedules, classification, and practices of electrical utilities operating in South Carolina, including Lockhart, as generally provided in S.C. Code Ann. 58-27-10, *et seq.* (1976 & Supp. 2013).

4. Over the last several years Lockhart has been pursuing a FERC license for the Riverdale Hydroelectric Project located in Enoree, South Carolina (Riverdale Hydro), with the purpose of eventually acquiring and re-developing the project as part of Lockhart's hydroelectric generation portfolio. By letter dated September 28, 2009, Lockhart filed with FERC the appropriate notice and other documents necessary to begin the relicensing process for the pre-existing 1,240-kilowatt Riverdale Hydroelectric Project. (Note: the previous owner was not pursuing relicensing, and per FERC regulations other interested parties are allowed to do so). Since that date, Lockhart has met and communicated numerous times with resource agencies in an attempt to find suitable, cost-effective environmental enhancements, and has diligently pursued the relicensing process and addressed questions posed by FERC as it completed its National Environmental Policy Act (NEPA) review process. FERC issued its Final Environmental Assessment (EA) for the project on August 15, 2014, two years after the license expiration date.

Lockhart has reviewed the recommended actions contained in the Final EA, as well as the changes in the economic and energy climate that have occurred since 2009. The natural gas resurgence has reduced energy market prices, and the significant reductions in solar panel costs have dramatically reduced the Renewable Energy Credit (REC) value in the Carolinas. Also, upon the expiration of federal renewable energy subsidies such as the PTC/ITC and ARRA, the Company determined that the project was no longer economically feasible. Lockhart Power Company was therefore compelled to withdraw its FERC application to relicense the Riverdale Hydro Project. Lockhart has invested significant economic and managerial resources over a period of many years in pursuing the development of this project, and this decision was made with due and careful consideration.

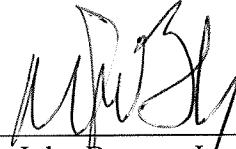
5. Specifically, Lockhart petitions the Commission to allow the Company to establish a deferred account to record the expense incurred with this project to which it may charge \$289,528 to reflect the cost of legal fees and filing fees incurred with the Riverdale Hydro project. The retail allocation would be \$163,323. Lockhart has not included any of the cost of the Riverdale Hydro Project in cost of service associated with any prior general rate filings.

6. As part of this Petition, Lockhart is seeking authorization to address the deferred account as part of its next general rate filing, and will seek recovery over a period of time to be determined by the Commission in the next general rate filing.

7. The Commission's granting of this request would not require a change to any of the Company's rates, charges or tariffs.

WHEREFORE, Lockhart Power Company respectfully requests that the Commission allow it to establish a deferred account to which it may charge \$289,528

(\$163,323 on a retail basis) of cost associated with the Riverdale Hydro project. In addition Lockhart is seeking the Commission's approval to address the deferral during the Company's next general rate filing.



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